

- Inflation rate eases slightly in July
- Sales by retailers in the province pick up in June
- Farm cash receipts slip in the second quarter as livestock sales plunge

## Prices

- British Columbia's inflation rate eased slightly in July, dropping to an annual rate of 2.4% after hitting 2.8% in the previous month. Although energy prices (+11.0%) remained well above 2003 levels, the year-over-year increase in the cost of fuel was not quite as extreme as in June (+14.9%).

Energy prices helped drive shelter costs up 2.2%, as homeowners paid 14.4% more for fuel oil, but received some relief from lower natural gas prices (-3.1%) in July. The cost of homeowner insurance (+18.9%) continued to be an inflationary factor, as were property taxes (+4.4%) driven up, in part, by a booming real estate market which has caused house prices to skyrocket in some parts of the province. Transportation costs were 4.5% higher than in July 2003. Prices at the pump rose 17.6%, the main reason for a 7.4% increase in the cost of operating a motor vehicle.

Energy was not the only factor in the province's inflation rate, however. The cost of health & personal care (+2.7%), recreation, education & reading materials (+3.1%) and alcoholic beverages & tobacco (+4.6%) were all significantly higher than in July 2003. Consumers paid 0.9% more at the grocery store and 1.6% more for food purchased from restaurants.

*Data Source: Statistics Canada*

- Prices rose at least two percent in every province except Alberta (+1.9%) and New Brunswick (+1.8%). Saskatchewan (+2.8%) and Manitoba (+2.7%) saw the biggest increases. The Canadian inflation rate was 2.3% in July, also reflecting sharply higher energy costs (+10.7%). Among metropolitan areas, Vancouver (+2.5%) and Victoria (+2.7%) experienced

slightly higher-than-average increases in the overall price level.

*Data Source: Statistics Canada*

## The Economy

- Sales by retailers in the province picked up in June, rising 0.5% (*seasonally adjusted*) after advancing only marginally (+0.2%) in the previous month. Nationally, the situation was reversed: sales growth (+0.2%) was weaker than it had been in May (+0.6%). Manitoba, where sales bounced back after two rather dismal months, was the only province to see a substantial increase (+1.9%) in June. Quebec (+0.9%), Alberta (+0.5%) and BC (+0.5%) made solid gains, but cash registers were not very busy in other parts of the country.

*Data Source: Statistics Canada*

- During the second quarter, sales by retailers in the province rose 7.8% (*relative to the same period of 2003*), posting the strongest quarterly increase seen since the mid 1990s. BC's hot housing market gave a boost to retailers in the province, and sales at furniture (+28.3%), home centres & hardware (+19.5%), home furnishing (+19.3%) and electronics & appliance (+9.8%) stores were robust. Department store sales continued to accelerate (+10.7%), and pharmacy sales advanced 11.6%. Sales at gas stations were up a substantial 14.2% over second quarter 2003 levels, but virtually all of the increase was price-related. Motor vehicle retailers did not fare as well—sales at new car dealerships were flat.

*Data Source: Statistics Canada*

- The number of British Columbians receiving regular Employment Insurance (EI) benefits fell 2.2% (*seasonally adjusted*) between May and June. Nationally, there were 0.7% fewer EI beneficiaries in June.

*Data Source: Statistics Canada*

### Did you know...

Credit card fraud cost Canadians over \$142 million in 2001, more than 20 times as much as the roughly \$6 million they lost by accepting counterfeit bills

### Public Sector Employment

- During the second quarter, public sector employment in the province edged up (+1.2%, year-over-year) to 382,140. The public sector employment rate (91 employees for every 1,000 people living in the province) was unchanged from the same period last year, and remained higher than in both Alberta (84) and Ontario (86). The national average was 95, with rates in other provinces ranging from 97 in Quebec to 133 in Saskatchewan (Manitoba's rate was only marginally lower, at 132).

Six out of every ten public sector workers in BC were employed at health and social service institutions (21 per 1,000 population), local school boards (19) and post-secondary institutions (15). Local (11), federal (9) and provincial (8) government ministries and agencies employed just under a third of all public sector workers. The employment rate at federal, provincial and local crown corporations was 8 workers per 1,000 population. *Data Source: Statistics Canada & BC Stats*

### Agriculture

- Farm cash receipts in the province were 7.0% lower in the second quarter of this year than in the same period of 2003, as livestock producers in the province continued to be hammered by the fallout from the avian flu and mad cow situations. Livestock receipts have been declining since early 2002. The ban on live cattle imports from Canada (which began in May 2003 and has not yet been completely lifted), together with the forced slaughter of poultry flocks in the Fraser Valley following an avian flu outbreak, has exacerbated the situation. Total livestock receipts plummeted (-19.3%) in the second quarter as sales of cattle (-23.9%), hens and chickens (-49.0%), turkeys (-26.0%) and eggs (-40.1%) were all severely curtailed. Crop producers (-4.9%) did not have a particularly good second quarter, either. With the exception of apples (+23.5%), ginseng (+4.5%) and strawberries (+2.0%), receipts from sales of most other products were lower than in 2003.

Although BC farmers were struggling, cash receipts rose 14.0% nationally, largely due to

strong gains in the Prairies, where crop farmers are beginning to recover after a long period of drought. Receipts increased 20.5% in both Alberta and Manitoba, while farmers in Saskatchewan saw their earnings rebound 42.6%. Overall, crop receipts were up 22.4%, but Canadian livestock producers (-1.8%) continued to feel the pinch of sharply lower cattle sales (-18.8%). Cattle and dairy products together account for more than half of total livestock receipts in Canada.

*Data Source: Statistics Canada*

### The Nation

- Canadian corporations earned record-high profits of \$50.7 billion (+4.1%, seasonally adjusted) in the second quarter. Rising metal, energy and forest product prices, as well as a thriving manufacturing sector, contributed to the increase. Operating profits of oil and gas extraction firms jumped 10.9% to \$5.6 billion. Mining companies recorded an even stronger increase (+11.8%) in profits, as higher metal prices and strong world demand kept balance sheets in the black. Similarly, the manufacturing sector recorded a robust 11.3% increase in profits in the second quarter. Compared to a year ago, the results are even more impressive—profits were 42.9% higher than in the second quarter of 2003. Retail profits rose 11.2%. Offsetting the strength in the non-financial sector was weakness in financial industries, which saw profits decline 3.6% overall, ending an upturn that had lasted for a year and a half.

*Data Source: Statistics Canada*

- High prices have created a bonanza for oil and gas producers in Canada, but some of that money is being pumped back into the economy. In 2003, capital expenditures by the conventional oil and gas extraction industry totalled \$23.8 billion, up 32.5% from the previous year as exploration and development drilling activity increased. Expenses at production facilities rose 31.3%. At the same time, the non-conventional sector saw capital expenditures fall (-25.2%) for the first time since 1998, dropping to \$5.0 billion as some major projects came into production mode.

*Data Source: Statistics Canada*

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## Meeting the Costs: Post-Secondary Student Funding and Debt

The BC College and Institute Student Outcomes Survey regularly asks former college, university college, and institute students how they paid for their education (tuition, books, food, and lodging) and what amounts they borrowed from government student loan programs or other sources. Using data from the 2003 survey, this article looks for answers to the questions: What are students' sources of financial support? How many students borrow to support their studies? What groups of students are more likely to borrow, and how much debt do they incur?

### About the Survey

The data for this article are from the BC College and Institute Student Outcomes Survey, which is an annual province-wide survey of former students from all 22 of BC's public colleges, university colleges, and institutes. It is conducted with funding from the Ministry of Advanced Education and from the institutions themselves. For more information on BC student outcomes, please see

<http://outcomes.bcstats.gov.bc.ca/>.

In the spring of 2003, over 17,200 former students were surveyed by telephone, 9 to 20 months after they completed (or nearly completed) their studies. A 50-percent random sample of respondents (n=8,675) was selected for a series of questions related to student funding and debt. For more information on the subject of student finances see

[http://outcomes.bcstats.gov.bc.ca/Publications/collegereports/issue\\_Finances.pdf](http://outcomes.bcstats.gov.bc.ca/Publications/collegereports/issue_Finances.pdf)

### What were former students' sources of financial support?

Government student loans and non-repayable financial support from family or friends were cited most often as primary sources of funding for post-secondary studies.

### Government student loans were a top source of financial support

Government student loan



Support from family or friends



Personal savings



Employment while studying



Source: 2003 BC College and Institute Student Outcomes Survey

The top four sources listed accounted for more than 78 percent of the responses. There were over a dozen other primary sources mentioned by respondents, including employment insurance, employment during breaks, employer funding, and scholarships and bursaries.

Female respondents were somewhat more likely than male respondents to say that their most important source of financial support came from government student loans. In 2003, 29 percent of females named this as their first source, compared with 24 percent of males.

Younger respondents were significantly more likely than older respondents to report that their primary source of funding came from family or friends: 25 percent of those under 30 said support from this source was most important, versus only 9 percent of those 30 and older.

Former students were also asked to give their second most important source of financial support while studying. The most-often cited secondary sources were employment while studying, personal savings, and non-repayable support from family or friends—in that order.

Respondents whose primary funding came from government student loans were most likely to say that employment while studying was their second source (32 percent); only 12 percent reported government grants as a secondary source.

### Employment was an important secondary source of financial support

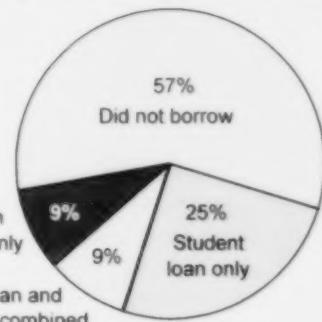
<b>If primary source was:</b>	<b>The most commonly cited secondary sources were:</b>	<b>%</b>
Government student loan	Employment while studying	32%
	Support from family or friends	15%
	Personal savings	15%
	Government grants	12%
<b>If primary source was:</b>	<b>The most commonly cited secondary sources were:</b>	<b>%</b>
Support from family or friends	Employment while studying	30%
	Personal savings	28%
	Government student loan	12%
	Employment during breaks	11%
<b>If primary source was:</b>	<b>The most commonly cited secondary sources were:</b>	<b>%</b>
Personal savings	Support from family or friends	25%
	Employment while studying	18%
	Government student loan	16%
	Scholarship or bursary	13%

Source: 2003 BC College and Institute Student Outcomes Survey

### How many former students borrowed to finance their education?

Of the former students asked, 43 percent said they had borrowed to finance their postsecondary studies. Most had used the government student loan program, although many borrowed from other sources; those who had both government student loans and non-governmental loans made up 9 percent of respondents.

The majority of former students did not borrow



Source: 2003 BC College and Institute Student Outcomes Survey

### How much did former students borrow?

Former students were asked to report any amounts they borrowed for the program of study they just completed—previous debt was not included. The loan amounts shown in the following text and charts are averages of the amounts reported by those who borrowed, not averages for all respondents. Unless otherwise indicated, the amounts are medians, rounded to the nearest \$10.

The median loan amount for former students surveyed in 2003 who borrowed from any source to support their studies was \$8,000 (the mean amount was \$10,470).

### More than one-third of respondents who borrowed owed more than \$10,000

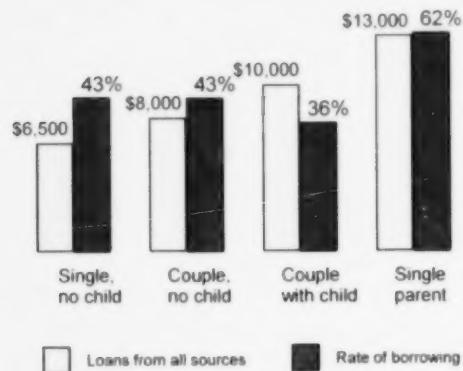


Source: 2003 BC College and Institute Student Outcomes Survey

## What groups of students borrowed more?

Former students who had children reported higher loan amounts—single parents especially. Although their level of loans from non-governmental sources was not different than that of other respondents, single parents relied heavily on government student loans. Their overall rate of borrowing was much higher than that of others.

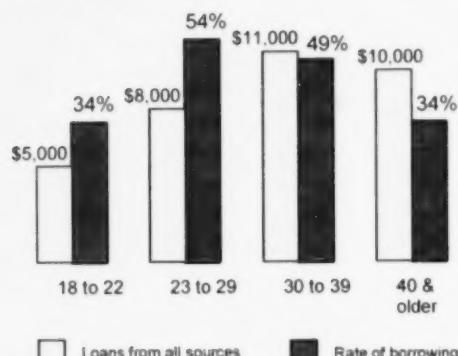
## The rate of borrowing for single parents was higher; they also borrowed more



Source: 2003 BC College and Institute Student Outcomes Survey

Older respondents were not necessarily more likely to borrow, but those who did, had higher loan amounts. Respondents 40 and older borrowed at the same rate as those 18 to 20 (34 percent).

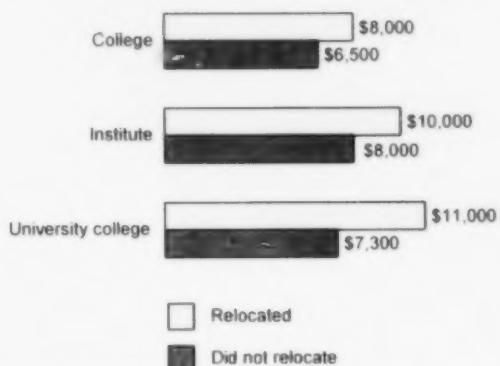
## Older respondents who borrowed tended to borrow more



Source: 2003 BC College and Institute Student Outcomes Survey

Respondents who had relocated to study were more likely to borrow, and they reported higher loan amounts. Those who attended institutes or university colleges borrowed more, on average, than former college students, and those who relocated to attend institutes or university colleges had the highest average loans of all.

## Those who relocated to study borrowed more



Source: 2003 BC College and Institute Student Outcomes Survey

Not surprisingly, former students who took longer programs had higher loan levels. The median amounts ranged from \$4000 for 3- to 6-month programs, through \$10,000 for 13- to 36-month programs, to \$15,200 for third and fourth-year programs.

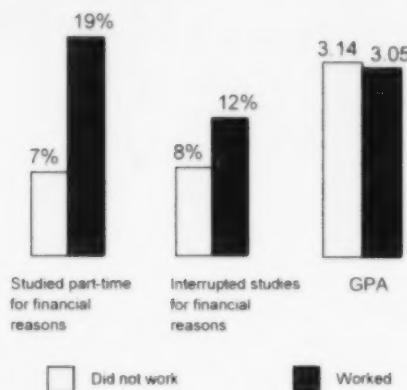
## What are the impacts of working while studying?

Over half (59 percent) of the respondents were employed during their last semester of studies. These former students were less likely than others to have had loans: 39 versus 48 percent. They had a median combined loan amount of \$7,000, compared with \$8,650 for those who did not work. Further, respondents who worked 20 hours or more per week had a median loan of \$5,000, compared with \$8,000 for those who worked less than 20 hours.

However, there was a down side for those who worked while studying. Compared with respondents who did not work, a higher percent-

age of employed respondents interrupted their studies. They were also significantly more likely to have said they studied part-time for financial reasons.

### Working while studying may have a detrimental effect



Source: 2003 BC College and Institute Student Outcomes Survey

The potential for employment to interfere with academic performance is even more concerning. Respondents who worked while they studied had lower grade point averages (GPAs) than their non-working counterparts.

### Conclusion

Families shoulder a lot of the responsibility for the costs of post-secondary education; especially for younger students. Students also use personal savings to pay for their studies, and many are employed while they study. Less than half of the former students surveyed in 2003 borrowed money for their studies, and half of those respondents borrowed less than \$8,000. On the other hand, some students, particularly those who are single parents or those who relocated to study, rely heavily on borrowed funds. The government student loan program is the major source of funding for students who borrow.

Employment while studying has a mitigating effect on debt; however, work during study could have a detrimental influence on the time needed to complete a program and on academic achievement.

The high costs associated with post-secondary education may be discouraging some prospective students, but exploring that impact is outside the scope of the BC College and Institute Student Outcomes Survey. The survey collects financial information from former students as part of an ongoing commitment to accumulate data for comparisons and to answer questions related to the affordability of post-secondary education in BC.



## Statistics Canada's Workshops

# Census Workshop — Kelowna

The Census of Population is the most comprehensive source of data on the demographic, social and economic characteristics of Canadians. This introductory workshop is designed to acquaint new users with the wealth of information from this resource. The instructor will guide the class through the types of data available, their geographic organization, and the wide range of publications, electronic products, and services based on the Census. For more information call Don Meakins 604-666-9342, or e-mail [don.meakins@statcan.ca](mailto:don.meakins@statcan.ca).

### Workshop Topics

#### Census Overview

- Background to the Census
- Content of the 2001 Census
- How Census data can be used
- Products and Services

#### Census Variables

- Income, ethno-cultural, language, immigration, labour force, etc.

#### Census Universes

- Population, families, households, dwellings

#### Census Geographies

- Census metropolitan areas, census agglomerations, census subdivisions, census tracts, block-faces, etc.

#### Return form with payment to:

Workshop Registrar — Statistics Canada, #600-300 W. Georgia St., Vancouver, BC V6B 6C7  
Tel: (604) 666-1851 Fax to: (604) 666-6966

#### Census Workshop — Kelowna — September 21 04

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Card No.: _____	Expiry date: _____	
Cardholder's Name: _____ Signature: _____		
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## BC at a glance . . .

<b>POPULATION (thousands)</b>		% change on one year ago
	Apr 1/04	
BC	4,177.4	1.0
Canada	31,825.4	0.9
<b>GDP and INCOME</b>		% change on one year ago
(BC - at market prices)		2003
Gross Domestic Product (GDP) (\$ millions)	142,418	5.1
GDP (\$ 1997 millions)	130,914	2.2
GDP (\$ 1997 per Capita)	31,572	1.4
Personal Disposable Income (\$ 1997 per Capita)	19,495	-0.4
<b>TRADE (\$ millions, seasonally adjusted)</b>		% change on prev. month
Manufacturing Shipments - Jun	3,493	-1.3
Merchandise Exports - Jun	2,779	-2.2
Retail Sales - Jun	3,914	0.5
<b>CONSUMER PRICE INDEX</b>		12-month avg
(all items - 1992=100)		Jul '04 % change
BC	123.4	1.8
Canada	125.0	1.7
<b>LABOUR FORCE (thousands)</b>		% change on prev. month
(seasonally adjusted)		Jul '04
Labour Force - BC	2,245	-0.2
Employed - BC	2,082	0.1
Unemployed - BC	163	-3.4
		Jun '04
Unemployment Rate - BC (percent)	7.3	7.5
Unemployment Rate - Canada (percent)	7.2	7.3
<b>INTEREST RATES (percent)</b>		Aug 25/04 Aug 27/03
Prime Business Rate	3.75	4.75
Conventional Mortgages - 1 year	4.40	4.55
- 5 year	6.30	6.35
<b>US/CANADA EXCHANGE RATE</b>		Aug 25/04 Aug 27/03
(avg. noon spot rate) Cdn \$	1.3041	1.4021
US \$ (reciprocal of the closing rate)	0.7660	0.7131
<b>AVERAGE WEEKLY WAGE RATE</b>		% change on one year ago
(industrial aggregate - dollars)		Jul '04
BC	682.85	-0.7
Canada	678.57	2.4
<b>SOURCES:</b>		
Population, Gross Domestic Product, Trade,	Statistics Canada	
Prices, Labour Force, Wage Rate		
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see <a href="http://www.bankofcanada.ca">www.bankofcanada.ca</a>		

### Released this week by BC STATS

- Consumer Price Index, July 2004
- Business Indicators, July 2004
- Current Statistics, July 2004

### Next week

- Quarterly Regional Statistics, 2<sup>nd</sup> Quarter 2004